

FEDERAL ELECTION COMMISSION Washington, DC 20463

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

JUL 03 2013

Sean Murphy 1-4 Sherman Hill Road Woodbury, CT 06798

RE: MUR 6522

Lisa Wilson-Foley

Lisa Wilson-Foley for Congress and William M. Kolo in his official

capacity as treasurer
Blue Fox Enterprises, Inc.
All Star Therapy, LLC
Apple Health Care, Inc.

Dear Mr. Murphy:

On June 25, 2013, the Federal Election Commission reviewed the allegations in your complaint dated January 12, 2012, and found that on the basis of the information provided in your complaint, and information provided by respondents, there is no reason to believe that Lisa Wilson-Foley violated 2 U.S.C. §§ 441b(a) or 441a(f) or that Lisa Wilson-Foley for Congress and William M. Kolo in his official capacity as treasurer violated 2 U.S.C. §§ 441b(a), 441a(f) or 434(b). The Commission also found no reason to believe that Blue Fox Enterprises, Inc., or Apple Health Care, Inc., violated 2 U.S.C. § 441b(a), and no reason to believe that All Star Therapy, LLC, violated 2 U.S.C. §§ 441b(a) or 441a(a). Accordingly, on June 25, 2013, the Commission closed the file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). The Factual and Legal Analysis, which more fully explains the Commission's findings, is enclosed.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Anthony Herman General Counsel

BY: Peter G. Blumberg

Assistant General Counsel

Enclosure
Factual and Legal Analysis

1 2	BEFORE THE FEDERAL ELECTION COMMISSION
3 4 5 6 7 8 9	RESPONDENTS: Lisa Wilson-Foley for Congress and William M. Kolo in his official capacity as treasurer Lisa Wilson-Foley All Star Therapy, LLC Blue Fox Enterprises, Inc. Apple Health Care, Inc. FACTUAL AND LEGAL ANALYSIS
12 13	I. INTRODUCTION
14	This mntter was gonerated by a complaint filed with the Federal Election
15	Commission by Sean Murphy alleging violations of the Federal Election Campaign Act
16	of 1971, as amended (the "Act"), by Respondents.
17	II. FACTUAL AND LEGAL ANALYSIS
18	A. Background
19	The Complaint alleges that Lisa Wilson-Foley, a candidate for the U.S. House o
20	Representatives in the Connecticut Fifth Congressional District, violated the Federal
21	Election Campaign Act of 1971, as amended, (the "Act") by receiving in-kind
22	contributions from her businesses. ² According to the Complaint, Wilson-Foley's
23	appearance in television advertisements for Apple Health Care, Inc., ("Apple Health"),
24	which were also posted on YouTube, constitutes a corporate contribution from Apple
25	Health to Wilson-Foley and her committee, Lisa Wilson-Foley for Congress (the
26	"Committee"). The Complaint also alleges that postings featuring Wilson-Foley, the
27	Committee, or both, on the Facebook pages of All Star Therapy, LLC, ("All Star") and

On April 12, 2012, Lisa Wilson-Foley for Congress amended its Statement of Organization to name William M. Kolo as treasurer.

Wilson-Foley lost the August 14, 2012, primary election.

1	Blue Fox Enterprises, Inc., ("Blue Fox"), and on All Star's website, are unlawful
2	corporate contributions from those companies to Wilson-Foley and the Committee. After
3	reviewing the available information, the Commission finds no reason to believe that
4	respondents violated the Act and closes the file.
5	B. Facts
6	The Complaint alleges that three of Wilson-Foley's businesses — Apple Health,
7	All Star, and Blue Fox — made impermissible in-kind corporate contributions to Wilson-
8	Foley and the Committee. ³
9	The Complaint points to ads aired on television by Apple Health, and posted on
0	YouTube, in which Wilson-Foley makes the following statements:
11 12 13 14	I'm Lisa Wilson-Foley. Our family has been providing quality health care for over 20 years. At Apple Rehab you'll have a private room and gourmet meals. As a physical therapist I'll make sure our staff is top notch to get you healthy in a hurry.
16 17	Apple your way back.
8	See Committee Resp. (Oct. 25, 2012); "Apple Rehab Golf,"
19	http://www.youtube.com/watch?v=bfUx9kWzaXs&feature=youtu.be (uploaded April 20,
20	2011); see also Aff. of Janet Peckinpaugh, Apple Health Media Consultant, Wilson-Foley
21	& Committee Resp., Ex. B ¶¶ 6-7, 9-12 (March 12, 2012).4
22	Wilson-Foley and the Committee acknowledge in their response that Apple
23	Health aired television advertising featuring Wilson-Foley. Wilson-Foley & Committee

Apple Health is a Connecticut corporation whose president is Brian Foley, the husband of Wilson-Foley. All Star is a Connecticut LLC whose sole member is LWF Holdings, Inc., whose sole officer is Wilson-Foley. Blue Fox is a Connecticut corporation whose president is Wilson-Foley. See http://www.concord-sots.ct.gov/CONCORD/online?sti=PublicInquiry&eid=9740.

The Complaint cites two Apple Health ads on YouTube that allegedly aired on television, Compl. at 1-2, but one of the links does not work. Counsel for Wilson-Foley and the Committee told the Commission in a telephone call that Wilson-Foley makes the same statements in both ads.

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MUR 6522 (Lisa Wilson-Foley for Congress, et al.) Factual and Legal Analysis Page 3
Resp. at 1. According to respondents, how

- 2012, when the electioneering communication window was open. See id. at 4; Aff. of
- Kevin Bauer, Apple Health Media Consultant, Wilson-Foley & Committee Resp., Ex. C
- ¶ 8.
- 5 The Complaint also alleges that certain postings featuring Wilson-Foley, the
- 6 Committee, or both, on the Facebook pages of All Star and Blue Fox, and on All Star's
- 7 website, are corporate contributions from those companies to the Committee.
 - A Wilson-Foley posting on her candidate Facebook account wishing All Star "employees, clients, patients and families a safe and wonderful New Year!"⁵
 - Posting that All Star owner Wilson-Foley will appear on a radio talk show that "frequently has political candidates on as guests."
 - All Star website identifying Wilson-Foley as its owner and referring to her candidacy for Connecticut Lieutenant Governor in 2010.
 - Blue Fox posting, "If you get the chance please follow Lisa Wilson-Foley on her Facedook page wilsonfoloy2012. She neede more friends."
 - Blue Fox posting with the Committee and a picture of the candidate under "Likes."
 - Blue Fox posting titled "Lisa Wilson-Foley for Congress," with a picture of Wilson-Foley and stating "Lisa Wilson-Foley is a proven job creator who will fight for the families and small businesses of Connecticut's Fifth District!"
 - Blue Fox website identifying Wilson-Folloy as the owner and stating that "[i]n 2011 she announced her intentions to run for U.S. Congress form Connecticut's 5th Congressional District."

Compl. at 1-2, Exs. A-E.6

This posting appears to be from Wilson-Foley's personal Facebook account, not her candidate account. See Compl. at 1, Ex. A; Wilson-Foley & Committee Resp. at 8.

At the same time, the Complaint states that the Committee website does not mention any of Wilson-Foley's companies by name, Compl. at 1-2, Ex. F.

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Respondents deny the allegations, asserting that all of these communications fail
the Commission's test for coordinated communications and therefore do not constitute
contributions to Wilson-Foley and the Committee. Wilson-Foley & Committee Resp.
at 6-9; All Star & Blue Fox Resp. at 2-3 (Mar. 15, 2012); Apple Health Resp. at 2-4
[June 4, 2012].

C. Legal Analysis
Under the Act, no person may make a contribution, including an in-kind

8 contribution, to a candidate and the candidate's authorized political committee with 9 respect to any election for Federal office that, in the 2012 election cycle, in the aggregate exceeded \$2,500. 2 U.S.C. § 441a(a)(1)(A); see 2 U.S.C. § 431(8)(A); 11 C.F.R. 10 § 100.52(d)(1) (defining "contribution" to include in-kind contributions). No candidate 11 12 or political committee may knowingly accept a contribution in violation of section 441a. 2 U.S.C. § 441a(f). The Act and Commission regulations require political committees to 13 report all contributions received, whether monetary or in-kind, during a given reporting 14 15 period. See 2 U.S.C. § 434(b); 11 C.F.R. § 104.3. Corporations are prohibited from making any contributions in connection with a federal election, and candidates and 16 political committees are prohibited from knowingly accepting corporate contributions. 17 18 2 U.S.C. § 441b(a). The Act defines in-kind contributions as, inter alia, expenditures by any person "in cooperation, consultation, or concert, with, or at the request or suggestion 19 of, a candidate, his authorized political committees, or their agents " 2 U.S.C. 20 § 441a(a)(7)(B)(i); 11 C.F.R. § 109.20(a). 21

Under Commission regulations, a communication is coordinated with a candidate, an authorized committee, a political party committee, or an agent thereof if it meets a

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MUR 6522 (Lisa Wilson-Foley for Congress, et al.)

Factual and Legal Analysis Page 5 1 three-part test: (1) it is paid for, in whole or in part, by a third party (a person other than the candidate, authorized committee or political party committee); (2) it satisfies at least 2 3 one of the five "content" standards described in 11 C.F.R. § 109.21(c); and (3) satisfies at least one of the six "conduct" standards described in 11 C.F.R. § 109.21(d). 11 C.F.R. 4 5 § 109.21(a). 6 The content prong is satisfied if the communication at issue meets at least one of 7 the following content standards: (1) a communication that is an electioneering 8 communication under 11 C.F.R. § 100.29; (2) a public communication that disseminates, 9 distributes, or republishes, in whole or in part, campaign materials prepared by a candidate or the candidate's authorized committee; (3) a public communication that 10 11 expressly advocates the election or defeat of a clearly identified candidate for federal 12 office; (4) a public communication, in relevant part, that refers to a clearly identified 13 House or Senate candidate, and is publicly distributed or disseminated in the clearly identified candidate's jurisdiction 90 days or fewer before the candidate's primary 14 election; or (5) a public communication that is the functional equivalent of express 15

advocacy. Id. § 109.21(c)(1)-(5). The term "public communication" encompasses broadoast, cable or satellite communication, newspaper, magazine, outdoor advertising facility, mass mailing or telephone bank, or any other form of general public political advertising, and excludes communications over the internet, except for communications placed for a fee on another person's web site. Id. § 100.26.

The Apple Health television ads that feature Wilson-Foley were paid for by Apple Health and therefore satisfy the payment prong. See id. § 109.21(a)(1); Wilson-Foley & Committee Resp. at 6. The ads, however, fail the content prong.

1	The record reflects that the ads aired more than 90 days before the May 14, 2012,
2	convention election ⁷ and thus constitute neither electioneering communications nor
3	public communications satisfying section 109.21(c)(4)(i). See 11 C.F.R. § 109.21(c)(1),
4	(c)(4). Nor do the ads, which focus on Apple Health's services, contain express
5	advocacy or its functional equivalent. See id. §§ 100.22, 109.21(c)(3), (c)(5). Finally,
6	the ads do not appear to republish campaign materials. See id. § 109.21(c)(2).
7	Thus, because the Apple Health television ads fail the content prong, they are not
8	coordinated communications. See id. § 109.21(a).
9	Based on the available information, it also appears that the other communications
10	— YouTube postings of Apple Health ads, All Star and Blue Fox Facebook postings, and
11	All Star's website featuring Wilson-Foley and the Committee — fail the content prong.
12	These communications are internet communications that do not appear to have been
13	placed for a fee on another's website; are not public communications; and are not
14	electioneering communications. Thus, the communications also do not satisfy any of the
15	content standards. See 11 C.F.R. §§ 100.26, 109.21(c)(1)-(c)(5).8
16	Accordingly, it appears that the communications of Apple Health, All Star, and
17	Blue Fox do not constitute coordinated communications. Based on the facts before the
18	Commission, these companies did not make, and Wilson-Faley and the Committee did

According to respondents, the ads did not air after January 27, 2012. See Aff. (If Kevin Bauer, Apple Health Media Consultant, Wilson-Foley & Committee Resp., Ex. C ¶ 8. Each Congressional district in Connecticut holds a party nominating convention that the Commission has recognized as an election separate from the primary and general elections. See Advisory Op. 1976-58 (Peterson); Advisory Op. 2004-20 (Farrell).

The Wilson-Foley & Committee on the Blue Fox Facebook page is not a coordinated communication because there is no payment and thus it fails the payment prong. Resp. at 9.

MUR 6522 (Lisa Wilson-Foley for Congress, et al.) Factual and Legal Analysis Page 7

- 1 not receive, or fail to disclose, corporate or excessive contributions. 9 The Commission
- 2 therefore finds no reason to believe that Apple Health or Blue Fox violated 2 U.S.C.
- 3 § 441b(a), that All Star violated 2 U.S.C. §§ 441b(a) or 441a(a), that Wilson-Foley
- 4 violated 2 U.S.C. §§ 441b(a) or 441a(f), or that the Committee violated 2 U.S.C.
- 5 §§ 441b(a), 441a(f) or 434(b), and closes the file.

All Star, as a limited liability company, may be considered a partnership or a corporation for purposes of making contributions, depending on how it elects to be treated by the IRS. See 11 C.F.R. § 110.1(g). The Commission has no information as to how All Star elects to be treated by the IRS.